

Message Text

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LIMITED OFFICIAL USE KUALA LUMPUR 4192

E.O. 11652: N/A

TAGS: ELAB, MY

SUBJECT: PUBLIC EMPLOYEES THREATEN STRIKE

1. SUMMARY. A FEDERATION OF GOVERNMENT EMPLOYEES UNION HAS THREATENED TO "TAKE INDUSTRIAL ACTION" IF THE GOM DOES NOT IMPLEMENT A COMPREHENSIVE SALARY INCREASE SCHEME BY AUGUST 1. THE GOM HAS RESUED TO SET A DATE FOR IMPLEMENTATION BUT IT SEEMS UNLIKELY THAT THERE WILL BE A STRIKE. END SUMMARY.

2. ON JULY 18, JAMALUDDIN MOHAMED ISA, SECRETARY GENERAL OF THE CONGRESS OF UNIONS OF EMPLOYEES IN THE PUBLIC AND CIVIL SERVICES (CUEPACS), ANNOUNCED THAT THE CUEPACS CONGRESS COUNCIL HAD BEEN AUTHORIZED BY MOST OF ITS AFFILIATE UNIONS TO FIX A DATE FOR A NATIONAL STRIKE IF THE GOM DOES NOT ANNOUNCE THE DATE OF IMPLEMENTATION OF THE IBRAHIM ALI REPORT, A COMPREHENSIVE PAY STANDARDIZATION PACKAGE FOR PUBLIC SECTOR EMPLOYEES, BY AUGUST 1. FYI THE IBRAHIM ALI REPORT, FIRST SUBMITTED TO THE GOM IN JUNE, 1975, INCLUDED PAY RAISES FOR ALL PUBLIC EMPLOYEES WITH GREATER RAISES FOR THOSE IN THE LOWER INCOME BRACKETS. THE IBRAHIM ALI COMMISSION TOOK ONLY SIX MONTHS TO ISSUE ITS REPORT, THE GOM HAD EXPECTED IT TO TAKE ABOUT TWO-YEARS AND THE RECOMMENDED RAISES WERE MUCH HIGHER THAN THE GOM HAD EXPECTED. CONSEQUENTLY THE GOM ORDERED THE REPORT AMENDED ONCE, THEN SUBMITTED IT TO A CABINET COMMITTEE FOR FURTHER REVIEW. THE LIMITED OFFICIAL USE

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GOM MADE NO PROVISIONS IN THE 1976 BUDGET FOR CIVL SERVICE PAY

RAISES. CUEPACS VIEWS THESE GOVERNMENT ACTIONS AS NOTHING MORE THAN DELAYING TACTICS TO AVOID THE UNPLEASANT BUDGETARY CONSEQUENCES OF A MASSIVE PUBLIC SECTOR PAY RAISE, AND IS TRYING BY ITS STRIKE THREAT SPEED UP IMPLEMENTATION. END FYI.
ON JULY 18 CUEPACS ALSO ANNOUNCED THAT THERE WOULD BE A MASS RALLY ON JULY 20 TO EXPLAIN THE CONGRESS COUNCIL DECISION TO ITS MEMBERS.

3. ON JULY 20 MINISTER OF LABOR AND MANPOWER DATUK LEE SAN CHOON MET WITH CUEPACS REPRESENTATIVES AND REFUSED TO AGREE TO THE WORKERS' DEMANDS. HE ADMONISHED THE UNIONS TO BE PATIENT AND WARNED THEM THAT FORCING THE GOVERNMENT TO MAKE A DECISION UNDER A THREAT IS NOT A SATISFACTORY WAY TO RESOLVE THE PROBLEM. ALTHOUGH LEE ASSURED THE UNION LEADERS THAT HE WOULD DO EVERYTHING POSSIBLE TO "EXPEDITE A SOLUTION," HE REFUSED TO SET A DATE WHEN THE REPORT WILL BE IMPLEMENTED. MEANWHILE, THE CUEPACS RALLY SCHEDULED FOR JULY 20 WAS CALLED OFF BECAUSE POLICE WITHDREW A PERMIT WHICH HAD EARLIER BEEN GRANTED. A CUEPACS OFFICIAL SAID THAT NO REASONS WERE GIVEN FOR WITHDRAWING THE PERMIT.

4. COMMENT. THE GOM'S ATTITUDE TOWARD THE IBRAHIM ALI REPORT AND CUEPACS REACTION ARE TYPICAL OF LABOR-MANAGEMENT RELATIONS IN MALAYSIA. THE GOM CONSISTENTLY DEALS WITH THE UNIONS IN A PATERNALISTIC MANNER AND ONLY MEETS THEIR CONCERNS PART-WAY AT BEST, WHETHER IT BE IN PASSING LABOR LEGISLATION, MEDIATING DISPUTES, OR ESTABLISHING CONDITIONS OF CIVIL SERVICE EMPLOYMENT. THE UNIONS, FOR THEIR PART, INITIALLY TAKE A MILITANT STANCE ON AN ISSUE IN PUBLIC, OFTEN SETTING DEADLINES, THEN USUALLY FOLD WHEN THEY REALIZE THE BASIC WEAKNESS OF THEIR POSITION IN THE EYES OF THE GOM, A WEAKNESS ARISING FROM THE FRAGMENTATION OF THE LABOR MOVEMENT AND FROM RESTRICTIONS ON INDUSTRIAL ACTION. THUS IT IS VERY LIKELY THAT THIS CHAPTER IN THE IBRAHIM ALI REPORT SAGA WILL END THE SAME WAY. ON JULY 19, T. NARENDRAN, PRESIDENT OF CUEPACS, PRIVATELY INDICATED TO EMBASSY OFFICERS THAT HE EXPECTED THE GOM TO CONTINUE DELAYING IMPLEMENTATION OF THE REPORT UNTIL IT HAS HAD A CHANCE TO MODERATE THE RAISES EVEN FURTHER, MAKING IMPLEMENTATION MORE PALATABLE TO THE TREASURY.
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